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“EU Clearing Reform: a unique opportunity for meaningful changes”

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We need a system fit not only for good times but also for times in distress. Taking into account the economic potential of the EU and the fact that we need a robust and resilient CMU, the EU needs reliable regulatory arrangements for central clearing, and the EU supervisory framework should be fit for the challenge.

Clearing is a global business and it is also important to look at what other jurisdictions are doing, what defines their attractiveness for clients.

Understanding decisions of those seeking to access clearinghouses as well as CCPs themselves is important.

And I understand that the consultation have respected it.

I am sure the Commission will look with an open mind at many ideas that can make EMIR a better regulation.

I also believe that regulators and legislators should seek to find ways to enable EU CCPs to broaden their offer more rapidly and effectively.

There are probably many provisions in EMIR that could benefit from simplification and reduced burden. But some issues require deeper changes.

I agree with the Commission that there is certainly a lot of work to do, and a number of open questions.

I had several meetings with Commission, ESMA, stakeholders to discuss the upcoming clearing review.

I understand that the consultation provided a lot of lacking evidence on what is not working and what can be the impact of the alternative choices that are being considered.

I appreciate the Commission's effort to consult so broadly and deeply. The COM is looking at all aspects of EMIR, there are many small and not so small changes proposed.

There is no single measure that in itself could bring the changes. Must be a mix of measures. They can lead to migration to other countries.

Some are market related, some more policy and regulatory modifications related. The Commission will need to use to maximum the space for market based solution.

We need to look at other jurisdiction - US, UK are the jurisdictions also to look at, also to better understand how they maintain their competitiveness.

We have to have in mind UK with and without equivalence ISDA roadmap can help strengthen important elements of COM proposal, when it comes to removing barriers to clearing, improving competitiveness of EU CCPs and expanding the market for clearing.

There are legislative measures needed, but also non-legislative measures. Certain changes are required now, but others can come gradually. Adjusting EMIR requires a holistic approach. Clearing is a part of a complex chain management.

I hear that maybe certain changes can come in 2024, or in 2025 when the equivalence ends.

But can we wait, do we have time in the current geopolitical context and risk of global

recession and largely unforeseen consequences of the confluence of many old and new risks? In particular, can we afford diversity of national supervision, conflicting rules and national approaches?

What is the right level of combination of flexibility and discretion at ESMA level as supervisor?

When stress comes, is there always time to change RTS or should we trust ESMA and give it more discretionary power?

Can we move forward with efficient EU supervision, improving access to data, to allow supervisor to have more and better data?

Today ESMA has better data on UK CCPs than on EU CCPs. Sometimes I think change on data could be a solution to many issues in supervisions. ESMA would be more independent than NCAs.

If the EU is successful in increasing the attractiveness of its CCPs, it will be legitimate to give a hard look at the supervision system because there will be a concentration of risks.

I recall that at the end of the legislative work on EMIR 2.2 we believed we had a good piece of legislation, though with some compromises which as we know are not always the best choices. But the regulation set up a double supervisory system, which was the best compromise solution that we could reach at the time.

The unique set up of the CCP Supervisory Committee developed under EMIR 2.2 brought together the NCAs supervising EU CCPs and improved the depth of cooperation between NCAs and ESMA, as well as between NCAs. This has certainly improved over the last years.

But does it make the system fit for the task ahead?

We have a unique opportunity to pave the way to make further steps towards a EU-wide supervision of CCPs.

Every day proves - especially with the recent events, stresses, risks being shifted

from energy sector to the financial one - that we need EU perspective and EU level engagement in supervision.

Member States were not ready and willing for this in 2018. And I hear that today there is also resistance to accept ESMA supervision.

On the basis of the current situation and taking a long-term view, it is clear that there are merit in supporting and simplifying an effort towards deeper Europeanisation of the system.

This can be done through gradual measures. And there are some ideas, such as those proposed by ISDA in the clearing roadmap, including giving a hard look at the CCP recovery and resilience , where ESMA has no power.

Strengthening EU supervision will make rules more harmonised and make EU more attractive.

To conclude let me say that good relationship between ESMA and the Bank of England are appreciated and good news. But still, it is all natural that BoE must be sometimes competitive in nature . Like the FED does not have in its mandate the protection of the euro, also the BoE will always be more focused on national interests. So we need a regime that does not rely only on cooperation.